

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re

APPLIEDTHEORY CORPORATION,
et al.,

Debtors.

PALLADIN OVERSEAS FUND LTD.,
HALIFAX FUND, L.P.,
PALLADIN PARTNERS I, L.P.,
HATTERAS PARTNERS, L.P.,
SPECTRUM INVESTMENT PARTNERS,
LP, ELLIOTT INTERNATIONAL, L.P.,
and ELLIOTT ASSOCIATES, L.P.,

Appellants,

v.

OFFICIAL COMMITTEE OF
UNSECURED CREDITORS OF
APPLIEDTHEORY CORPORATION,

Appellee.

Chapter 11

Bankr. Ct. No. 02-11868 (REG)

Bankruptcy Appeal

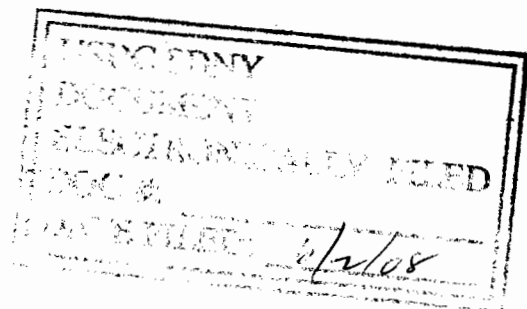
Case No. 08-CV-04959 (BSJ)

STIPULATION AND SCHEDULING ORDER

WHEREAS, the Clerk of the Court docketed the above-captioned appeal of a certain bench decision and order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on May 29, 2008; and

WHEREAS, the following were listed as parties to this appeal: (A) Palladin Overseas Fund Ltd., Halifax Fund, L.P., Palladin Partners I, L.P., Hatteras Partners, L.P., Spectrum Investment Partners, LP, Elliott International, L.P. and Elliott Associates, L.P. (collectively, "Appellants"); (B) Official Committee of Unsecured Creditors of AppliedTheory

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Corporation, et al. (“Appellee”); and (C) Yann Geron, the Chapter 11 Trustee of AppliedTheory Corporation, et al. (the “Trustee”) (collectively, the “Parties”); and

WHEREAS, pursuant to Fed. R. Bankr. P. 8009, the following deadlines apply to this appeal:

<u>Description</u>	<u>Deadline</u>
Appellants’ Brief Due	June 13, 2008
Appellee’s Brief Due	June 30, 2008
Appellants’ Reply Brief Due	July 10, 2008

; and

WHEREAS, the Parties have agreed in principle to a settlement which would resolve all the issues addressed in this appeal and render it moot (the “Proposed Settlement”); and

WHEREAS, the Parties are currently in the process of coming to formal terms on the Proposed Settlement, after which the Proposed Settlement will have to be approved by the Bankruptcy Court on notice to all parties in the bankruptcy case; and

WHEREAS, the Parties believe that an extension of all current deadlines in this appeal is warranted given the nature of the Proposed Settlement and the likelihood that this appeal will be rendered moot upon the Bankruptcy Court’s approval of the Proposed Settlement;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. The following deadlines will apply to this appeal:

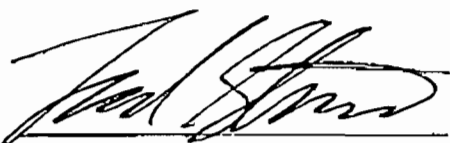
<u>Description</u>	<u>Deadline</u>
Appellants’ Brief Due	August 8, 2008
Appellee’s Brief Due	Twenty-one (21) days after

	Appellants' Brief is Filed
Appellants' Reply Brief Due	Ten (10) days after Appellee's Brief is Filed

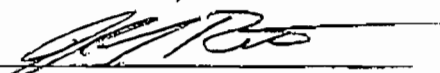
2. The foregoing deadlines are without prejudice to any or all of the Parties' rights to request additional extensions for cause shown.

3. This Stipulation may be executed by facsimile or electronic signature and in counterparts, each of which (upon execution of a counterpart by each party), individually or taken together, shall constitute a single integrated agreement.

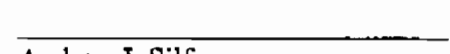
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Counsel to the Trustee

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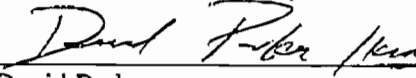
DUVAL & STACHENFELD LLP
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	Appellants' Brief is Filed
Appellants' Reply Brief Due	Ten (10) days after Appellee's Brief is Filed

2. The foregoing deadlines are without prejudice to any or all of the Parties' rights to request additional extensions for cause shown.

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FOX ROTHSCHILD LLP
Counsel to the Trustee

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SO ORDERED this 29 day of June, 2008


HONORABLE BARBARA S. JONES
UNITED STATES DISTRICT JUDGE